

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
OIL AND GAS SECTION**

**RULE 37 CASE NOS. 0211377,
0211378, AND 0211379
CONSOLIDATED WITH
COMPLAINT NO. 0211821
DISTRICT 3**

**APPLICATION OF SHAMROCK OIL
CO. FOR RULE 37 EXCEPTIONS
FOR ITS WELL NOS. 20, 21, 22, AND
23, WILSON, OLLIE LEASE,
RACCOON BEND (GUTOWSKY)
(GRAWUNDER) (COCKFIELD)
(PAINE) (WOODLEY) AND
(WILSON) FIELDS, AUSTIN
COUNTY, TEXAS CONSOLIDATED
WITH THE COMPLAINT OF
EXXON CORPORATION THAT THE
RULE 37 EXCEPTION PERMIT
ISSUED ADMINISTRATIVELY TO
SHAMROCK OIL CO. FOR ITS
OLLIE WILSON WELL NO. 22
SHOULD BE CANCELLED**

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered dockets heard on May 17, 1996, the presiding examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained in the proposal for decision, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the Rule 37 Permit for an exception location which was administratively issued on April 8, 1996 to Shamrock Oil Co. for its Ollie Wilson Well No. 22 in Rule 37 Case No. 0211821 is hereby **CANCELLED**.

It is further **ORDERED** that the applications of Shamrock Oil Co. for all Rule 37 exceptions for the Raccoon Bend (Gutowsky) (Grawunder) (Cockfield) (Paine) (Woodley) and (Wilson) Fields, in Austin County, Texas are hereby **DENIED**.

It is further **ORDERED** that the application of Shamrock Oil Co. for a Rule 37 exception for proposed Well No. 20 on the Ollie Wilson Lease in the Raccoon Bend (Gutowsky) Field, in Austin County, Texas is hereby **DENIED**.

It is further **ORDERED** that the applications of Shamrock Oil Co. for Rule 37 exceptions for proposed Well Nos. 21 and 22 on the Ollie Wilson Lease in the Raccoon Bend (Gutowsky) Field, in Austin County, Texas are hereby **GRANTED** at lease-line regular locations 330 feet from applicant's southwest lease line; and applicant is further **ORDERED** to file amended Forms W-1 and certified plats for proposed Well Nos. 21 and 22 evidencing the relocated well positions.

It is further **ORDERED** by the Railroad Commission of Texas that Shamrock Oil Co., be and is hereby **GRANTED** an exception permit under the provisions of Statewide Rule 37 only for its proposed Well No. 23 on the Ollie Wilson Lease in the Raccoon Bend (Gutowsky) Field, in Austin County, Texas, at the following location:

100' from southwest line and 4000' from southeast line of the Ollie Wilson Lease;
3650' from northeast line and 2750' from northwest line of the survey.

It is further **ORDERED** that no more than six (6) wells can be produced concurrently from the Raccoon Bend (Gutowsky) Field on the Ollie Wilson Lease.

CONDITIONS

1. **Fresh Water Sand Protection.** The operator must set and cement sufficient surface casing to protect all usable-quality water as defined by the Texas Water Commission. Before drilling a well, the operator must obtain a letter from the Texas Water Commission stating the depth to which water needs protection. Write: Texas Water Commission, Surface Casing, P. O. Box 13087, Capitol Station, Austin, Texas 78711-3087. File a copy of the Water Commission letter with the appropriate district office.
2. **Permit at Drilling Site.** A copy of the Form W-1 (Drilling Permit Application), the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout the drilling operations.
3. **Notification of Setting Casing.** The operator **MUST** call in notification to the appropriate district office a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, **AND** production casing. The individual giving notification **MUST** be able to advise the district office of the docket number.

4. **Producing Well.** Statewide Rule 16 requires that the operator submit a Form W-2 (oil well) or Form G-1 (gas well) to the appropriate Commission district office within thirty (30) days after completion of such well. Completion of the well in a field authorized by this order voids the order for all other fields included in the order unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date of this order.
5. **Dry or Noncommercial Hole.** Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or noncommercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).
6. **Intention to Plug.** The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.
7. **Notification of Plugging a Dry Hole.** The operator **MUST** call to notify the appropriate district office a minimum of four (4) hours prior to beginning plugging operations. The individual giving notification **MUST** be able to advise the district office of the docket number and all water protection depths for that location as stated in the Water Commission letter.
8. **Plugged Wells.** Should this well ever be plugged and abandoned, the Commission will consider such plugging and abandonment as prima facie evidence that production from said well is no longer necessary to prevent confiscation of applicant's property or to prevent waste; and upon such plugging and abandonment, the authority for such well as granted under this permit shall cease.
9. **Permit Expiration.** This permit expires two (2) years from the date this order becomes administratively final, unless actual drilling operations have begun. The permit period will not be extended.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after it is actually mailed to the parties by the Commission; provided that if a motion for rehearing of the application is filed by any party at interest within such 20-day period, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

Done this _____ day of _____, 1997.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN

COMMISSIONER

COMMISSIONER

ATTEST:

SECRETARY

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
OIL AND GAS SECTION**

**RULE 37 CASE NOS. 0211377
DISTRICT 3**

**APPLICATION OF SHAMROCK OIL
CO. FOR A RULE 37 EXCEPTION
FOR WELL NO. 21, WILSON, OLLIE
LEASE, RACCOON BEND
(GUTOWSKY) (GRAWUNDER)
(COCKFIELD) (PAINE) (WOODLEY)
AND (WILSON) FIELDS, AUSTIN
COUNTY, TEXAS**

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket heard on May 17, 1996, the presiding examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained in the proposal for decision, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Shamrock Oil Co. for a Rule 37 exception for proposed Well No. 21 to be located 150 feet from the southwest line and 1820 feet from the northwest line of the Ollie Wilson Lease in the Raccoon Bend (Grawunder) (Cockfield) (Paine) (Woodley) and (Wilson) Fields, in Austin County, Texas is hereby **DENIED**.

It is further **ORDERED** that the application of Shamrock Oil Co. for a Rule 37 exception for proposed Well No. 21 on the Ollie Wilson Lease in the Raccoon Bend (Gutowsky) Field, in Austin County, Texas is hereby **GRANTED** at a lease-line regular location 330 feet from applicant's southwest lease line; and applicant is further **ORDERED** to file an amended Form W-1 and certified plat for proposed Well No. 21 evidencing the relocated well position prior to commencing any operations.

CONDITIONS

1. **Fresh Water Sand Protection.** The operator must set and cement sufficient surface casing to protect all usable-quality water as defined by the Texas Water Commission. Before drilling a well, the operator must obtain a letter from the Texas Water Commission stating the depth to which water needs protection. Write: Texas Water Commission, Surface Casing, P. O. Box 13087, Capitol Station, Austin, Texas 78711-3087. File a copy of the Water Commission letter with the appropriate district office.
2. **Permit at Drilling Site.** A copy of the Form W-1 (Drilling Permit Application), the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout the drilling operations.
3. **Notification of Setting Casing.** The operator MUST call in notification to the appropriate district office a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification MUST be able to advise the district office of the docket number.
4. **Producing Well.** Statewide Rule 16 requires that the operator submit a Form W-2 (oil well) or Form G-1 (gas well) to the appropriate Commission district office within thirty (30) days after completion of such well. Completion of the well in a field authorized by this order voids the order for all other fields included in the order unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date of this order.
5. **Dry or Noncommercial Hole.** Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or noncommercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).
6. **Intention to Plug.** The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

7. **Notification of Plugging a Dry Hole.** The operator **MUST** call to notify the appropriate district office a minimum of four (4) hours prior to beginning plugging operations. The individual giving notification **MUST** be able to advise the district office of the docket number and all water protection depths for that location as stated in the Water Commission letter.
8. **Plugged Wells.** Should this well ever be plugged and abandoned, the Commission will consider such plugging and abandonment as prima facie evidence that production from said well is no longer necessary to prevent confiscation of applicant's property or to prevent waste; and upon such plugging and abandonment, the authority for such well as granted under this permit shall cease.
9. **Permit Expiration.** This permit expires two (2) years from the date this order becomes administratively final, unless actual drilling operations have begun. The permit period will not be extended.
10. **Nonconcurrent Production.** No more than six (6) wells may be produced concurrently from the Raccoon Bend (Gutowsky) Field on Shamrock's Ollie Wilson Lease.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after it is actually mailed to the parties by the Commission; provided that if a motion for rehearing of the application is filed by any party at interest within such 20-day period, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

Done this _____ day of _____, 1997.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN

COMMISSIONER

COMMISSIONER

ATTEST:

SECRETARY